

DHRM BULLETIN

Current Date: March 18, 1999

Effective Date: June 26, 1999

Reference: UCA 67-19-12

UCA 67-22-2

R477-7-1,2,3,4,5

SB3, SB4

SUBJECT: Compensation for State Employees FY2000 - (Jul 99/Jun 2000) Page 1 of 3

- A. It is the intent of the Legislature that funds allocated for compensation for state employees under the state system are to be used for merit and longevity increase adjustments based on eligibility and qualifying performance and according to rules and procedures established by the Department of Human Resource Management. Funding provided for adjustments is 2.5 percent and will be allocated to agency base budgets to be available and effective June 26, 1999.

Market Comparability Adjustments (MCA's) and health and dental increases were approved and funded separately from the 2.5 percent monies. These adjustments will be allocated to agency base budgets to be available and effective June 26, 1999.

The sequence to implement automated Range and Salary Changes shall be as follows:

1. All Range adjustments first (Pay Plans and MCA range adjustments).
2. FY99 MCA Adjust to Range actions next. (See Note 2).
3. Merit Salary Increases are the first actual salary increases to be implemented.
4. Market Comparability Adjustments next.
5. Longevity Increases last.

Range and Salary Change Notes:

Note 1: In order to facilitate correct handling of increases, salary ranges are adjusted first and then individual salary step increases are given, as noted above. No money is being given here. It is simply establishing the proper compensation structures to apply the funding to.

Note 2: The FY99-MCA-Adjust-to-Range salary action will resolve two issues related to range adjustments. First, any employee that falls below minimum of range because of the MCA range adjustment must be brought to minimum with commensurate salary. Second, any employee in longevity that is brought back onto the General Pay Plan because of the MCA range adjustment must have his or her step corrected. They may (for example) need to be moved from Step 70-L1 to Step 71. No salary change occurs here.

Note 3: 2.5% funding will NOT completely fund a 2.75% merit increase. Any deficiencies are to be funded first from available turnover and other compensation related savings, and second, from other available savings in State agency budgets.

Note 4: The longevity increases discussed in the beginning paragraph are to follow previously established DHRM rules. There is no additional or separate funding. Because the majority of Longevity actions occur at fiscal year end, these actions will be automated for those becoming eligible at this time. Those becoming eligible at any other time of the year are to be processed manually by each agency, as any other normal salary action.

Note 5: Agency Assignment and Salary Actions that are entered and approved prior to DHRM's shutdown of the system to run Fiscal Year end, that have an effective date of June 26, 1999, will process **before** the compensation actions listed above. For example, if an agency manually enters and approves a Promotion, it will process **before** the Merit. Note that the "Assignment" actions that you want effective on June 26, must be entered and approved before the fiscal year end actions. Edits will not allow them afterwards. "Salary" Actions can be made effective on June 26 whether entered and approved before or after fiscal year end.

1. **Merit Salary Increases:**

- A. **Schedule B Employees** who receive a successful or higher rating on their performance evaluations and who have been employed by the State in a paid status for at least six months shall receive a maximum Merit Salary Increase of one step effective June 26, 1999 (see Rule 477-7-4-1). ***Performance ratings must be conducted and entered into the HRE system no later than June 25, 1999.*** Agencies shall conduct performance appraisals consistent with R477-10 of the Human Resource Management Rules and are strongly encouraged to continue the highest level performer program. (Six month eligibility is determined as the first day of the first pay period of the calendar year. In this case, that day is January 9, 1999. Therefore, any employee who began work in a paid status on or before January 9, 1999 will meet the six-month criterion.)
- B. **Schedule A Employees** are not all eligible for the Merit Step increase. Those who are eligible shall receive a maximum Merit Salary Increase of one step effective June 26, 1999. **Eligible employees with successful or higher ratings on their performance evaluations will receive the increase through the automated system. Those without these current evaluations must be handled manually by the individual agencies.** Schedule A Employee eligibility is determined as follows:
 - 1) Employees must have been employed in a paid status by the State for at least six months (January 9, 1999, as discussed above).
 - 2) Employees in Schedules AD and AR who have a successful or higher performance rating entered into the system no later than June 25, 1999, shall receive the merit increase.
 - 3) Employees in Schedules AC, AE, AF, AG, AH, AI, AK, and AN are eligible subject to Agency approval. If the agency approves and enters a successful or higher performance evaluation it is assumed that they are eligible, and the Merit Step Increase will be automated.
 - 4) Employees in Schedules AL, AM, or AS are not eligible to receive a merit step unless they are receiving benefits, and the increase is approved in agency policy. If a valid successful or higher rating on their performance evaluations is entered it is assumed that they are eligible, and the Merit Step Increase will be automated.
 - 5) Schedule AL (with benefits) conversions to Schedule B, when all other criteria are met, including the six month criterion, are eligible. When these Schedule AL employees are converted to Schedule B, the Current Date is set to the beginning of the Schedule B work. This may make it appear that the six-month test has not been met. There is no way to automate this process. Agencies must monitor the reports and identify any employee in this situation and notify DHRM, who will manually enter the merit increase. Agencies can then give 2nd level approval at their sites.
 - 6) Employees in Schedule AJ are not eligible for the Merit Step

Increase.

- 7) Employees in Schedules AA and AB are handled separately and will not receive this Merit Step Increase.

- C. **Those not eligible for the merit step increase** include those who are at maximum of range, those on corrective action, those in Schedule TE, Schedule TL (in the secondary job), and those on the Longevity Pay Plan and the Executive Pay Plan.

2. **Market Comparability Adjustments:**

- A. Market Comparability Adjustments were funded by the Legislature this year. Funding adjustments will be allocated to agency base budgets to be available and effective June 26, 1999.
- B. Market Comparability Adjustments for employees in the affected classifications (see attached) will be implemented June 26, 1999. Salary ranges will be increased either two or four steps, depending on the specific job title. Eligible employees shall receive either one 2.75 percent salary increase or two 2.75 percent salary increases, as per their job title and the MCA Adjustment information attached.
- C. Employees designated as Schedules AJ, AF, and AL (without benefits) are not eligible to receive the MCA adjustment. The salary range will increase, but the employees themselves will not receive the salary step increase(s), unless, of course, their current salary is below the minimum of the new range. In this case, affected employees will adjust to the minimum of the new range.
- D. Prior to July 22, 1999, when MCA adjustments appear in employee checks, DHRM will notify affected employees on how the Market Comparability Adjustments will impact them.
- B. Salary ranges for Executive Directors and Commissioners on the State of Utah Executive Pay Plan have been approved for a 2.5 percent increase on June 26, 1999, in accordance with SB-4 and SB-3. The salary increase for each Executive Director and Commissioner, however, shall be determined by the Governor.
- C. Most employees on the Administrative Pay Plan will be eligible for the one-step merit increase. If agencies desire to give additional steps, they can accomplish this by manually entering Administrative Salary Increases (ASI's). These, of course, are not funded.
- D. All salary and range increases addressed above shall be effective June 26, 1999, and will show in the paycheck received on July 22, 1999.
- E. Reports detailing the effect of all automated Range and Salary Changes on individual employees will be made available to agencies prior to the end of the fiscal year. A standard report in the HRE System will be made available as soon as it is ready. The report will show the range and salary changes by employee at June 26. Only the planned, automated increases will show on the reports, not increases that the agencies plan to enter manually. Agencies are strongly encouraged to review these reports. Note that merit increases will not show on the reports until successful or higher performance evaluations are entered.

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Attachments: State of Utah General Pay Plan
State of Utah Longevity Pay Plan

State of Utah Executive Pay Plan
Market Comparability Salary Adjustments